

HAIG POINT UTILITY, INC.

DOCKET NO. 2005-34-W/S

BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION

Testimony Prepared: June 13, 2005

Hearing Date: July 18, 2005

PRE-FILED TESTIMONY OF JAMES J. COLLINS

THIS TESTIMONY IS FILED PURSUANT TO THE ORDER OF THE PUBLIC SERVICE COMMISSION DATED APRIL 11, 2005. IN ACCORDANCE WITH THE PUBLIC SERVICE COMMISSION'S RULES OF PRACTICE AND PROCEDURE AND THE AGREEMENT OF THE APPLICANT, THE COMMISSION, THE OFFICE OF REGULATORY STAFF, AND THE INTERVENOR, THE APPLICANT RESERVES THE RIGHT TO PROVIDE REBUTTAL TESTIMONY TO THE TESTIMONY PRE-FILED PURSUANT TO SAID ORDER BY THE COMMISSION STAFF, ORS, AND INTERVENORS AND TO ANY TESTIMONY PROVIDED AT OR BEFORE THE JULY 18, 2005 HEARING AND THE JULY 14, 2005 PUBLIC "NIGHT" HEARING.

1 **BY MR. WALKER: Please state your name for the record.**

2

3 BY MR. COLLINS: James J. Collins.

4

5 **BY MR. WALKER: Please state your business address.**

6

7 BY MR. COLLINS: 50 Park of Commerce Way, Savannah, GA 31405.

8

9 **BY MR. WALKER: What is your occupation?**

10

11 BY MR. COLLINS: I am a licensed professional engineer with Thomas & Hutton

12 Engineering Company.

13

14 **BY MR. WALKER: In what states are you licensed as a professional engineer?**

15

16 BY MR. COLLINS: South Carolina and Georgia.

17

18 **BY MR. WALKER: Can you describe the business of Thomas & Hutton**

19 **Engineering Company?**

20

21 BY MR. COLLINS: Thomas & Hutton Engineering Co., was founded in 1947 by Mr.

22 Hue Thomas and Mr. Joseph Hutton in Savannah, Georgia. The firm was

23 incorporated in its present corporate structure in 1955. Throughout its history,

1 Thomas & Hutton has served a broad range of clients in a broad range of civil
2 engineering matters, including municipalities, state and federal government agencies,
3 industrial clients, major utilities and private landowners.

4
5 **BY MR. WALKER: What specific services does Thomas & Hutton provide with**
6 **respect to water utilities?**

7
8 BY MR. COLLINS: The scope of services provided to water utilities by Thomas &
9 Hutton is quite broad and includes master planning and studies, water supply and
10 distribution analysis, software modeling, water storage tank design and inspection, tank
11 rehabilitation design, control system analysis, water rate studies, water loss studies, water
12 conservation plan development, operation and maintenance manual development, water
13 treatment plant design, operator training, and other engineering services related to water
14 utilities.

15
16 **BY MR. WALKER: Does Thomas & Hutton have experience working with private**
17 **developments and developers in South Carolina?**

18
19 BY MR. COLLINS: Yes. Thomas & Hutton's work with private developments and
20 developers has been quite extensive on the South Carolina coast. We have served as
21 the civil engineering firm for developments such as Sea Pines Plantation, Long Cove
22 Club, Wexford Plantation, Hilton Head Plantation, Rose Hill Plantation, Moss Creek
23 Plantation, Indigo Run, Dataw Island, Melrose Club, Bloody Pointe, and Haig Point

1 Plantation, all in the Hilton Head area. We have performed work for Sea Pines Public
2 Service District, Forrest Beach Public Service District, Long Cove Utilities, Rose Hill
3 Utilities, Hilton Head Plantation Utility Company and Beaufort-Jasper Water
4 Authority, all in the Hilton Head area, many of which are regulated by this Public
5 Service Commission. In the Charleston area, our clients include Charleston National
6 Country Club, Kiawah Island, Daniel Island, Isle of Palms Water & Sewer
7 Commission, and the Mount Pleasant Waterworks & Sewer Commission. This
8 experience has given us extensive knowledge of the needs of very large developments
9 and the associated utilities.

10
11 **BY MR. WALKER: How long has Thomas & Hutton worked with Haig Point**
12 **Utility Company, Inc.?**

13
14 BY MR. COLLINS: Thomas & Hutton has provided services to Haig Point Utility
15 Company, Inc. ("HPU") and to the developers of Haig Point Plantation since the
16 inception of the development in the 1980s. Thomas & Hutton has worked continuously
17 since the early to mid-1980s in the design of most of the infrastructure within Haig
18 Point Plantation, including the water system.

19
20 **BY MR. WALKER: Where is Thomas & Hutton located?**

21
22 BY MR. COLLINS: We have offices in Savannah, Georgia, St. Simon's Island, Georgia,
23 Mount Pleasant, South Carolina, and Myrtle Beach, South Carolina.

1 **BY MR. WALKER: Please state your educational background.**

2 BY MR. COLLINS: I received a Bachelor of Science degree in Civil Engineering from
3 the Georgia Institute of Technology ("Georgia Tech") in 1985.

4

5 **BY MR. WALKER: Have you completed additional training and/or education**
6 **since your graduation from Georgia Tech?**

7

8 BY MR. COLLINS: I have completed courses in preparation for the professional
9 engineering examination as well as various review and continuing professional education
10 courses.

11

12 **BY MR. WALKER: Please state your work history.**

13

14 BY MR. COLLINS: For a short period after my graduation from Georgia Tech, I was
15 employed by the R.J. Griffin Company in Atlanta, Georgia. From early 1986 to early
16 1987, I worked with the engineering department of the City of Savannah, Georgia. From
17 February of 1987 to present, I have been employed by Thomas & Hutton Engineering
18 Company.

19

20 **BY MR. WALKER: How long have you practiced in the area provision of**
21 **engineering services to water utilities?**

22

23 BY MR. COLLINS: Nineteen years.

1 **BY MR. WALKER: Please describe the nature of your assignment in connection**
2 **with this proceeding.**

3

4 BY MR. COLLINS: Thomas & Hutton has long provided engineering services to HPU.
5 In connection with making a rate application to the South Carolina Public Service
6 Commission, HPU retained John Guastella's company, Guastella Associates, to perform
7 a rate study. My assignment was to provide whatever information Mr. Guastella and his
8 associate, Mr. White, needed to complete the rate study.

9

10 **BY MR. WALKER: What information did you provide to Guastella Associates?**

11

12 BY MR. COLLINS: I was asked by Mr. Thomas Connor to provide information
13 regarding each construction project that Thomas & Hutton was involved in undertaken at
14 Haig Point Plantation which impacted HPU.

15

16 **BY MR. WALKER: What specific information did Guastella Associates request?**

17 BY MR. COLLINS: Guastella Associates requested data via Mr. Connor. Specifically, a
18 compilation of each construction project was requested, which included the approximate
19 scope of water distribution, the approximate scope of sewage collection, the date of
20 operating permit issuance, the value, and the value determination method.

21

22 **BY MR. WALKER: How was this information provided to Guastella Associates?**

23

1 BY MR. COLLINS: I prepared an Excel spreadsheet containing this information. I
2 provided this spreadsheet to Mr. Connor, who I understood was to provide it to Guastella
3 Associates. It is a total of three pages, with a column for the specific project, columns for
4 the specific information explained in response to your last question, and an additional
5 column for miscellaneous comments. It does not have a title heading.

6
7 ***[APPLICANT'S EXHIBIT 3]***

8
9 **BY MR. WALKER: How did you compile the data reflected in the Excel**
10 **spreadsheet?**

11
12 BY MR. COLLINS: I compiled the data from Thomas & Hutton's individual project
13 files for each project listed.

14
15 **BY MR. WALKER: Was Thomas & Hutton involved in designing or consulting on**
16 **each project reflected on the Excel spreadsheet?**

17 BY MR. COLLINS: Yes, either in a design or consulting capacity.

18
19 **BY MR. WALKER: How did you determine the value of each of the projects?**

20
21 BY MR. COLLINS: For the most part, as you can see from the "value determination
22 column", I determined the value of the project by reviewing pay requests, construction
23 contracts, and other relevant documents. If the pay request or contract included items not

1 related to the water system, I deducted those items from the total value. If there was no
2 cost associated with a project, I left the "value" column blank.

3
4 **BY MR. WALKER: Are you aware of why Guastella Associates requested this**
5 **information?**

6 BY MR. COLLINS: The information was requested to complete Work Papers 2, 3, and
7 4 which reflect the "Plant in Service at System Build-Out", broken down into the "Water
8 Plant in Service at System Build-Out" and the "Sewer System in Service at System
9 Build-Out." It is my understanding that this Work Paper was used in support of the
10 Schedules attached to the rate application and in support of rates requested.

11
12 **BY MR. WALKER: To the best of your knowledge and belief, was the**
13 **documentation supplied to Guastella Associates via Mr. Connor you just described**
14 **incorporated within the schedules and work papers submitted in support of the rate**
15 **application?**

16
17 BY MR. COLLINS: Yes.

18
19 **BY MR. WALKER: Was the information and data you supplied to Guastella**
20 **Associates via Mr. Connor true and accurate to the best of your knowledge and**
21 **belief?**

22
23 BY MR. COLLINS: Yes.

1 **BY MR. WALKER: Are there ongoing construction projects related to HPU?**

2
3 BY MR. COLLINS: Yes. Construction is substantially completed on an elevated water
4 storage tank and five hundred gallon per minute groundwater well. The storage tank and
5 well are designated as "Well No. 3 and Elevated Storage Tank" on my Excel spreadsheet.
6

7 **BY MR. WALKER: What is the purpose of the ongoing construction of the**
8 **elevated water storage tank and the groundwater well?**

9
10 BY MR. COLLINS: HPU proposed the construction of the elevated water storage tank
11 in order to comply with a 1989 Consent Order with the South Carolina Department of
12 Health and Environmental Control. The Consent Order required that, when the total
13 number of taps reached two hundred and forty, HPU would submit plans and
14 specifications for additional water storage facilities. After careful consideration, an
15 elevated water storage tank was proposed and approved. In addition to the tank, HPU
16 proposed the construction of a five hundred gallon per minute groundwater well to
17 comply with applicable fire flow requirements. This well actually did not add additional
18 withdrawal from the aquifer, but was constructed only to comply with the Beaufort
19 County ordinances regarding fire flow.
20

21 **BY MR. WALKER: Do you know the specifics of the relationship between Haig**
22 **Point and the Melrose development in the operation of the Haig Point/Melrose**
23 **wastewater treatment plant?**

1 BY MR. COLLINS: It is my understanding that Haig Point Plantation and the Melrose
2 Development share costs associated with the wastewater treatment plant in a ratio of 60%
3 to 40% respectively.

4

5 **BY MR. WALKER: Does this conclude your testimony/?**

6

7 BY MR. COLLINS: Yes.